

R E M A R K S

By this Amendment the specification has been amended to include topic headings and to reflect the deletion of Figs. 32, 33 and 35 (see concurrently filed Letter Re Drawings), claims 1, 5, 9, 10 and 12-15 have been amended to better define the invention, and claim 19 has been canceled. Entry is requested.

In the outstanding Office Action the examiner has objected to the drawing because of deficiencies in Figs. 28-31 relative to the showing of reflection-enhancing layers (Figs. 28-31) and an HRI layer (Figs. 32-34).

Figs. 28-31 do not depict an actual "reflection-enhancing layer" (unnumbered), *per se*, but metallized and unmetallized areas 3, 4 which are produced from such a layer. The specification has been corrected in this regard.

Figs 32-35 (original Figs. 34 36, 37 and 38) do not depict an HRI layer (unnumbered) *per se*, but areas 3, 4 which are produced from such a layer 3 (note original Figs. 32, 33 and 35 were incorrectly presented as they did not includes areas 3, 4).

As such, the examiner's objection should be withdrawn.

The examiner has rejected claims 1 and 5 under 35 U.S.C. 112, first paragraph, as being based on a non-enabling disclosure and she has rejected claims 1-22 under 35 U.S.C. 112 as failing to properly define the invention.

By the present Amendment these claims have been amended to overcome these rejections.

The examiner has provisionally rejected claims 1-22 on the ground of non-statutory obviousness-type double patenting over claims 1-22 of copending application Serial No. 10/512,055 in view of Phillips et al. A suitable Terminal Disclaimer is submitted herewith.

The examiner has rejected claims 1, 3-6, 9-16, 21 and 22 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al., she has rejected claim 2 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al. and Small et al., she has rejected claims 7 and 8 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al. and Melling et al., she has rejected claims 17-20 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al. and Kaule et al. '241, and she has rejected claims 17-20 under 35 U.S.C. 103(a) as

being unpatentable over Schneider et al. in view of Phillips et al. and Kaule et al. '813.

The applicants assert that these rejections are without merit. In this regard, the essence of the present invention is the combination of a transparent magnetic layer formed from flake nickel magnetic material having a particular remanence of coercivity together with indicia formed from a combination of opaque and non-opaque regions. It is accepted that Schneider et al discloses a security substrate with the indicia, but it makes no reference to the use of any magnetic layer, let alone one with the particular characteristics required in the present invention.

While Phillips et al. describe a substrate with a magnetic layer which is formed from a printed magnetic ink, the examiner seems to have overlooked the fact that the magnetic ink particles are oriented prior to the ink curing to provide novel and interesting visual effects. Hence, not only are the magnetic materials used not clear and transparent, otherwise they could not be used to form a visual effect, but neither does Phillips et al. disclose the use of flake nickel magnetic material. The flakes referred to in Phillips are pigment flakes and not a specific magnetic material with

particular coercivity and remanence characteristics as is required in the present independent claims.

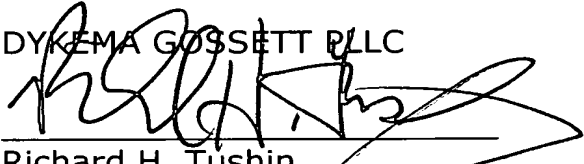
As such, not only would a person of ordinary skill in the art not combine the teachings of these two documents as the visual features of Phillips would interfere with the visual features of Schneider, but neither is the combination of the two documents disclose all of the features of claim 1. Hence, it is submitted that both claim 1 and claim 5 are novel and inventive over the cited prior art.

Favorable reevaluation is requested.

Respectfully submitted,

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Annotated Sheet

FIG. 31.

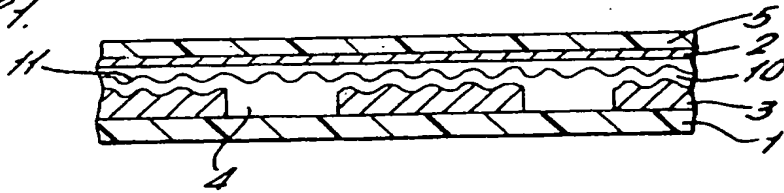


FIG. 32.

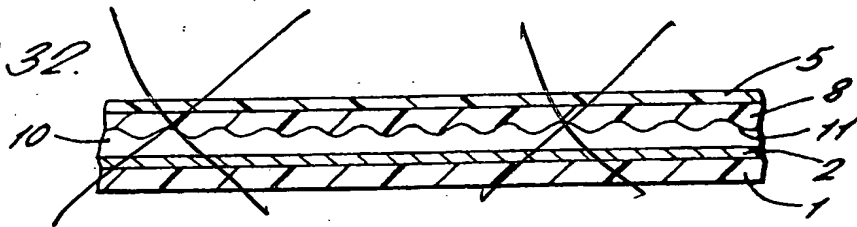
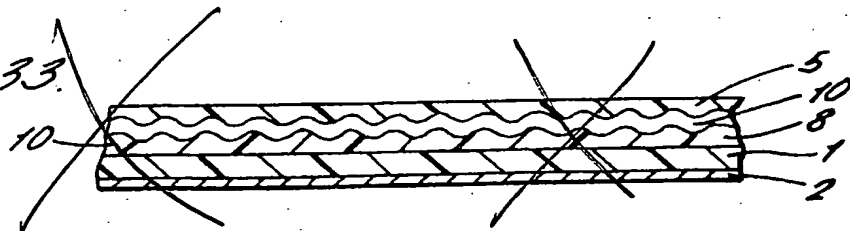


FIG. 33.



32
FIG. 34.

